

Message Text

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21

ORIGIN EB-07

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DRAFTED BY EB/IFD/OMA:BGCROWE

APPROVED BY EB/IFD/OMA:GPBALABANIS

L/EB:JROSEN

TREASURY:SCANNER

ARA/NC:DCOX

AF/E:RBARRETT

EA/PHL:RWILLNER

EA/TB:JKLEMSTEIN

DOD:JDARLING

EUR/SE:HKIRBY

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R 110032Z MAR 76

FM SECSTATE WASHDC

TO AMEMBASSY ADDIS ABABA

AMEMBASSY ANKARA

AMEMBASSY ATHENS

AMEMBASSY BANGKOK

AMEMBASSY BOGOTA

AMEMBASSY MANILA

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E.O. 11652: N/A

TAGS:

SUBJECT: DEBT ARREARAGES - KOREAN CONFLICT LOGISTIC
SUPPORT CLAIMS

REF: A-10385 12/29/73; (FOR MANILA: REF: MANILA 2754)

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1. THE ISSUE OF "DEBT ARREARAGES" ON USG LOANS AND CREDITS

EXTENDED TO FOREIGN COUNTRIES IS CONTINUING TO ATTRACT PUBLIC AND CONGRESSIONAL ATTENTION. AS OF JUNE 30, 1975, PRINCIPAL AND INTEREST "DUE AND UNPAID 90 DAYS OR MORE" TOTALED APPROXIMATELY \$636 MILLION. ALMOST \$200 MILLION OF THIS RELATES TO "KOREAN CONFLICT LOGISTIC SUPPORT CLAIMS". THE HISTORY OF THESE LONG-STANDING CLAIMS IS DETAILED IN A-10385 OF 12/29/73. THE AMOUNTS OWED BY COUNTRY ARE AS FOLLOWS: COLOMBIA \$11.5 MILLION; ETHIOPIA \$14.5 MILLION; GREECE \$18.8 MILLION; THE PHILIPPINES \$47.8 MILLION; THAILAND \$19.9 MILLION; TURKEY \$87.2 MILLION.

2. SINCE "ARREARAGE DATA" ARE PUBLISHED FREQUENTLY WITHOUT DETAILED EXPLANATION OF WHAT DATA REPRESENT, THE ABOVE LISTED COUNTRIES MAY BE CARRIED IN PRESS ARTICLES AND CONGRESSIONAL STATEMENTS AS BEING IN DELINQUENT IN THEIR DEBT PAYMENTS TO THE USG. THIS COULD PROMPT GOVERNMENT OR PUBLIC REQUESTS FOR MORE INFORMATION ON THE ISSUE.

3. IF ASKED, EMBASSIES SHOULD NOTE ORIGIN OF THE CLAIMS AND STATE THAT THE ISSUE IS BEING REVIEWED BY THE DEPARTMENT OF STATE, IN CLOSE COORDINATION WITH THE DEPARTMENTS OF TREASURY AND DEFENSE.

4. FYI: AS NOTED IN A-10385, THE TENTH REPORT OF THE HOUSE COMMITTEE ON GOVERNMENT OPERATIONS EXPRESSED THE VIEW THAT "THERE IS NO REASON FOR CONTINUING TO CARRY THESE CLAIMS ON US TREASURY RECORDS". IN TESTIMONY MARCH 4, 1976 BEFORE THE LEGISLATION AND NATIONAL SECURITY SUBCOMMITTEE OF THE HOUSE GOVERNMENT OPERATIONS COMMITTEE, DEPUTY ASSISTANT SECRETARY OF STATE FOR ECONOMIC AFFAIRS PAUL BOEKER STATED THE FOLLOWING:

"WE HAVE REACHED THE SAME CONCLUSION AS DID THE 1973 COMMITTEE REPORT AND BELIEVE IT DESIRABLE TO REMOVE THE CLAIMS FROM THE CATEGORY OF OUTSTANDING DEBT. WE THINK THAT SPECIAL STATUTORY AUTHORITY IS DESIRABLE TO PERMIT US TO EFFECT SUCH A CHANGE. IN THIS REGARD, WE ENCOURAGE AND WOULD FULLY SUPPORT ACTION BY THIS SUBCOMMITTEE TO INITIATE THE NECESSARY LEGISLATION."

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WE WILL BE GIVING URGENT ATTENTION TO THIS MATTER OVER THE COMING MONTHS AND WILL KEEP YOU FULLY INFORMED OF ANY SIGNIFICANT DEVELOPMENTS. END FYI. INGERSOLL

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Message Attributes

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